# DRAGONTAIL PARTNERS WITH VALQARI
# FOR COMPLETE "LAST INCH" CONTACTLESS DRONE FOOD DELIVERY

**Highlights**

- **Strategic partnership with US based Valqari for complete automated QSR food delivery by drones.**

- **Valqari's patented drone delivery solution with its Smart Drone Delivery Mailbox solves "last inch" logistic problems, providing secure and convenient delivery to the end customer.**

- **Dragontail's Algo Platform, overseeing the total restaurant operations, jointly with Valqari's technology, will provide a safer, secured and more effective, food delivery.**

- **By using the combined products, restaurants will now be able to offer a secure and contactless pickup at landing zones for both drivers and the end customers.**

**24 February 2021: Dragontail Systems Limited** (ASX: DTS, the "**Company**" or "**Dragontail**"), bringing process efficiency and improving customer satisfaction through its Algo SaaS platform and QT AI camera system to the Quick Service Restaurant (QSR) and foodservice industry, is pleased to announce the strategic partnership with Valqari LLC ("**Valqari**") for a complete contactless delivery by drones, for the QSR (Quick Service Restaurant) industry as well as other potential markets.

Valqari, a Chicago-based company, has developed a drone delivery solution that solves the "last inch" logistic problems with its patented Smart Drone Delivery Mailbox that provides a secure and convenient delivery receptacle or tray for both drone and traditional deliveries. Valqari's Drone Delivery Mailbox Station is a dependable solution for all drone deliveries, having an automated device provide a contactless pickup at the landing zones, when delivering traditional mail, packages, and parcel products. Valqari holds utility patents in 14 countries and territories, including the U.S., the U.K., Germany, China and several other countries in the European Union.

Dragontail is the only technology provider to offer a holistic solution for store operations with its Algo Platform, as opposed to other solutions that only address the last process step of a store's operation – end-customer food delivery, known as "last mile". The Algo Platform oversees the whole operation processes, starting from receiving an order via the POS (Point of Sale) system all the way through to the end-customer receiving their food order and includes kitchen optimization under a fully integrated approach. The partnership with Valqari will allow the two companies to offer a complete solution for an efficient operating flow within the restaurant as well as an entirely automated drone delivery.

Valqari's last inch solution and Dragontail's Algo Platform, combined will provide a safe, secure and cost effective solution, while having the capabilities of operating efficiently, streamlining the food preparation processes (or any other "backstage" operations also highly applicable within other industries), as well as delivering food hot and fresh to end customers. By using the combined products, restaurants will now be able to offer a secure and contactless pickup at the landing zones for both drivers and end customers, instead of arriving all the way to the restaurant. The added value benefiting restaurants using this technology include creating cost-effective process solutions, reduction in manpower and labor cost, reaching a higher level of customer satisfaction and loyalty, increasing customer base.

***Ido Levanon, Dragontail's Managing Director Commented****: '*We are very excited to have partnered with Valqari. This latest "drone to end customer" technology sits alongside our December 2020 announced "drone to drop zone" technology collaboration which solves for operating environments under strict security hurdles.

We believe our strategic partnerships for technology development in the drone space will give us further competitive advantage. Our combined forces and technologies will bring significant business opportunities and strengthen our overall product and service offering in the QSR space, leading to innovative developments and ideas that have never been seen before, establishing a fundamental change in the logistical perception of the food industry and its application more broadly, in other addressable markets over the long term.*"*

**Material Terms**

The Memorandum of Understanding between Dragontail and Valqari has no fixed term and can be terminated by either party with 90 days notice.  Each party will provide technical input to integrate their systems and allocate resources to asses markets and offer a holistic solution.  There is no up front cost to Dragontail and any future revenues are to be negotiated as appropriate.

*This ASX Announcement was approved and authorised by Dragontail's Managing Director.*

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**About Dragontail Systems**
Dragontail is revolutionising the Quick Service Restaurant (QSR) and foodservice industry with its core technology offering being its patented **Algo Platform** and **QT AI camera system**, sold under a cloud-based monthly subscription-based Software-as-a-Service (SaaS) revenue model which results in time and cost savings, and improved customer satisfaction through:

- Optimising and managing kitchen process task flow and timing from order to delivery
- Checking food quality and consistency
- Providing customers visibility over their food orders
- Acting as a valuable training tool for staff
- Controlling for food hygiene and sanitisation
- Managing driver activities leading to increased efficiency

The **Algo Platform** is the first system in the world to fully automate and streamline the kitchen flow to deliver an immediate and significant return on investment to fast food and quick service restaurants. The Algo integrates into a QSR's point of sale (POS) system.

The **QT AI camera** system's sensor and camera automatically monitor the preparation and cooking process in the kitchen. Using proprietary patented advanced AI machine-learning technology, the system keeps improving its diagnostics, becoming even more efficient. The QT has been upgraded in 2020 for hygiene and sanitisation checking. Dragontail's offering consists of:

1. **Total Technology solution:** Algo Platform + POS + online ordering developed by Dragontail in partnership, resulting in a full and ready integration).
2. **Algo Platform or full Algo:** Ready to integrate into an existing QSR POS system, managing the entire food preparation process from order to delivery.
3. **Algo Lite:** A delivery module – driver tracking and order aggregation. A QSR may begin with this system and migrate across to the full Algo over time.
4. **QT AI camera quality system:** Proprietary developed camera hardware and software used to quality control food preparation.

Dragontail is rolling out its technology globally and has signed contracts with leading QSR franchisors and franchisees including key contracts with Yum! Brands, TelePizza and household names like Dominos, Pizza Hut, KFC, Papa John's and Sweetgreen, and has formed partnerships with global aggregators (third party delivery operators such as Uber Eats, Deliveroo, DoorDash, Grab and FOOD PANDA), across a growing number of countries globally.

For more information, visit www.dragontail.com.